



GOALING GUIDELINES FOR THE SMALL BUSINESS PREFERENCE PROGRAMS FOR PRIME AND SUBCONTRACT FEDERAL PROCUREMENT GOALS & ACHIEVEMENTS

Office of Government Contracting

July 3, 2003



TABLE OF CONTENTS FOR GOALING GUIDANCE

SUBJECT	PAGE
POLICY STATEMENT	1
A. STATUTORY GOALS	
What are the Statutory Goals in Federal Procurement?	1
Does the SBA Negotiate an 8(a) Goal with Each Agency?	2
Who is Responsible for Achieving Procurement Goals?	2
What is the SBA's Responsibility?	2
Are Agency Goals and Government-Wide Goals Identical?	2
B. GOALING BASELINE	
On What Basis are Procurement Goals Calculated?	2
Why Does SBA Only Include in the Goaling Baseline Prime Contracts That are Awarded Using Appropriated Funds and Covered by the Federal Acquisition Regulation (FAR)?	3
C. NEGOTIATING GOALS	
What are Prime Contracts?	3
How Do Agencies Establish Annual Prime Goals with the SBA?	4
Are Goals Based on Dollars or Percentages or Both?	5
What are Subcontracts?	5
How Do Agencies Establish Annual Subcontract Goals with the SBA?	5
How Do Agencies Submit Proposed Goals to the SBA?	6
Do Agencies Have an Opportunity to Negotiate Goals?	6
What Happens if the SBA and Agencies Fail to Agree on Establishing Goals?	6

D. DATA COLLECTION

How Does the SBA Collect Data?	7
What Must Agencies Report About Their Procurements?	7
What Type of Contract Actions are Reported to Federal Procurement Data System (FPDS) But Excluded From the Goaling Base?	7
What Types of Contract Actions are Not Reported to FPDS?	8
Can Agencies Include Transactions Not Covered by the Goaling Program?	9
Can Agencies Report Transactions Not Covered by the Goaling Program to FPDS?	9
How Do Agencies Get Credit Towards Small Business (SB) Goals When Using Special Contract Vehicles Such as GWACS, MACs and FFS Contracts?	10
Can Agencies Include Credit Card Purchases Toward Prime Contract Goal Achievements?	10
How Does the SBA Collect Data on Subcontracts?	10
Can Agencies Get Credit Toward Their Subcontracting Goals for All Subcontracts Flowing From the Prime Contract?	10

E. TIMELINE

What is the Timeline for Agencies to Report Data and Submit Proposed Goals?	10
Calendar of Events	11

F. MONITORING AND EVALUATING ACHIEVEMENTS

When Must Agencies Report Data on Achievements?	11
How Does the SBA Track Agencies' Achievements in SB Procurement?	12
How Does the SBA Evaluate Achievements Toward Prime Goals?	12
How Does the SBA Evaluate Achievements Toward Subcontracting Goals?	12

Does the SBA Conduct Mid-Year Review of Achievements Against Goals? 12

How Does The SBA Account for Multi-year Awards? 12

How Does the SBA Evaluate Achievement and Goals When an Agency's Procurement Budget Changes? 12

Can Agencies Obtain Credit for Goals in More Than One Category With One Contract? 13

Can Agencies Combine Prime and Subcontract Achievements to Show the Total Dollars to SB? 13

G. REPORTING

Where are the Data on Achievements Reported? 13

Does the SBA Issue Reports on Goals and Achievements? 13

H. CONTACTS AND QUESTIONS

Where Does the SBA Post Goaling Guidance? 15

Who Should Agencies or the Public Contact if They Have Questions on the National Small Business Goaling Procurement Program? 15

I. ATTACHMENTS

On-Line Form for Submitting Goals Appendix 1

OFPP's letter of MEMORANDUM
FOR AGENCY SENIOR PROCUREMENT EXECUTIVES
dated August 26, 1999 Appendix 2

GUIDANCE ON GOAL SETTING UNDER PROCUREMENT PREFERENCE PROGRAMS

POLICY STATEMENT

It is the policy of the United States that all small businesses have the maximum practical opportunity to participate in providing goods and services to the Federal Government. Congress, in furtherance of that policy, enacted various small business goals for Federal procurement. The Small Business Act states that the Small Business Administration (SBA) is to “aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise, to ensure that a fair proportion of total purchases and contracts or subcontracts for property and services for the Government...be placed with small business enterprises, to ensure that a fair proportion of the total sales of Government property be made to such enterprises, and to maintain and strengthen the overall economy of the Nation.” Helping small businesses participate in Federal procurement is one of the most important ways the SBA can fulfill that mission.

A. STATUTORY GOALS

What Are the Statutory Federal Procurement Goals?

Congress first enacted a procurement goal in prime contracting for small business in 1988. Since then, goals have been increased, extended to include some subcontracting and applied to certain sectors of small businesses such as service-disabled veteran-owned small businesses. The Small Business Act (Public Law 644 §15(g)) includes the various procurement goals. They are summarized in the table below.

Program	Prime	Subcontracting	Statutory Reference
Small Business	23		Public Law 95-507 § 221 (1978) & 105-135 § 603(b) (1997 increase to 23%)
Small Disadvantaged Business	5	5	Public Law 100-656 § 502 (1988)
Women-Owned Small Business	5	5	Public Law 103-355 § 7106(a) (1994)
HUBZone Business	3*		Public Law 105-135 § 603(b) (1997)
Service-Disabled Veteran-Owned Small Business	3	3	Public Law 106-50 § 502(b) (1999)

*HUBZone goal was 1 percent (FY 1999), 1.5 percent (FY 2000), 2 percent (FY 2001), and 2.5 percent (2002) and 3 percent (FY 2003 and beyond).

Does the SBA Negotiate an 8(a) Goal with Each Agency?

As a matter of SBA policy, the SBA negotiates an 8(a) goal with each agency. Agencies can take credit towards their 8(a) goal for any award made pursuant to Section 8(a) of the Small Business Act. The SBA recommends that the total (Small Disadvantaged Business (SDB) goal be split 50/50 between 8(a) SDB and non- 8(a) SDBs. Therefore, the total SDB goal is the sum of the 8(a) and the non 8(a) goals.

Who is Responsible for Achieving Procurement Goals?

Every Federal agency with procurement authority is responsible for meeting the goals. Each must provide the maximum practicable opportunity to small businesses to win awards and must work to improve its procurement processes to meet the goals.

What is SBA's Responsibility?

The SBA is responsible for implementing the goaling program to ensure that the government-wide goals are established each fiscal year. The SBA is also responsible for tracking and reporting on agencies' achievements toward meeting those goals. The SBA like other Federal agencies, must also establish and try to achieve small business procurement goals.

Are Agency Goals And Government-Wide Goals Identical?

Agency goals and government-wide goals are not necessarily identical. The statutory goals are government-wide, meaning that the percentages are based on the aggregate of all Federal procurement. Each Federal department and agency has different program missions and procurement needs. The Small Business Act states "Notwithstanding the government-wide goal, each agency shall have an annual goal that presents, for that agency, the maximum practical opportunity for small business concerns..." (15 U.S.C. 644 §15(g)(1)). The SBA works with each agency to establish goals that both provide small businesses the maximum opportunity to win contracts given that agency's procurement needs and meet the government-wide goals. It is the SBA's policy to begin the negotiation by assigning either the statutory level or the average achievement for the past 3 years – whichever is higher – and agencies must make a compelling case to have goals set lower. The SBA cannot accept proposed goals from an agency until it is sure the cumulative goals will at least reach the statutory government-wide levels.

B. GOALING BASELINE

On What Basis are Procurement Goals Calculated?

As stipulated in the Small Business Act, procurement goals are a percentage "of the total value of all prime contract awards" made in a fiscal year. This "base" includes awards for supplies and services to business concerns, non-profit organizations,

educational institutions (including Historically Black Colleges and Universities and Minority Institutions) and state and local governments.

There are several categories of procurement not included in the base because they are not covered by the goaling program. Examples include:

- Non-appropriated Funds. Procurements with funds generated from operations such as user fees, gifts, etc. rather than appropriated funds. Examples include the U.S. Postal Service and Comptroller of the Currency.
- Internal Transactions. Some transactions are internal to an agency and are not actually contracts such as when a military base orders supplies from the Defense Department's Supply Depot. The acquisitions of the supply depot are also not included in the goaling program because they are funded with proceeds from resales within the Department.
- Mandatory Sources. By law, agencies must award certain contracts to "mandatory sources." Examples include commodities produced by the Federal Prison Industries (known as UNICOR) or the JWOD Participating Nonprofit Agency (formerly Sheltered Workshop).
- Contracts for Foreign Governments or International Organizations. Examples include Foreign Military Sales that are Government to Government transactions often funded by foreign country funds.
- Contracts Not Under FAR. As a matter of policy, goals only extend to procurements subject to the Federal Acquisition Regulations (FAR). Therefore, agencies with special exemptions from the FAR such as the Federal Aviation Administration (FAA) or the Transportation Security Administration (TSA) are not covered by the goaling program.

Why Does SBA Only Include in the Goaling Baseline Prime Contracts That are Awarded Using Appropriated Funds and Covered by the Federal Acquisition Regulation (FAR)?

The Small Business Act establishes small business procurement goals as a percentage of the total value of all prime contracts awarded to small businesses. As a matter of SBA policy, the goaling baseline includes only prime contracts awarded using appropriated funds and that are covered by the FAR. The FAR requirements and the Federal Procurement Data System (FPDS) are only applicable to contracts awarded using appropriated funds. Therefore, the SBA determined that the goaling baseline should only be applicable to those prime contract actions. Further, the SBA and OFPP agreed that the FPDS would be used to measure agencies' goal achievements. The FPDS collects data for prime contracts awarded primarily with appropriated funds.

C. NEGOTIATING GOALS

What are Prime Contracts?

For purposes of these Guidelines, "Prime Contract" has the same meaning as the definition of "contract" in FAR 2.101. "Contract means a mutually binding legal

relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the Government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to) awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders; such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Contracts do not include grants and cooperative agreements covered by 31 U.S.C. 6301, *et seq.*” A prime contract is any direct contract between the Government and the contractor.

How Do Agencies Establish Annual Prime Contract Goals with SBA?

Section 15(g) of the Small Business Act requires that each agency “establish realistic goals for the award of contracts to small businesses” including those owned by women, disadvantaged persons, service disabled veterans and firms located in HUBZones. Further, it requires that the head of each Federal agency make consistent efforts to annually expand participation by small business concerns from each industry category in procurement contracts of the agency.

The SBA negotiates goals with individual agencies prior to the beginning of the fiscal year such that cumulatively, the government-wide goal is met or exceeded. The SBA may negotiate 2-year goals but will allow re-negotiation before the second year if an agency’s mission or budget changes. The process involves several steps, detailed below.

1: Agencies estimate their total prime contract dollars for the next fiscal year using prior fiscal year procurement budget and estimated any expected increases or decreases. Agencies derive their goaling base from total procurements minus the excluded categories.

2: Agencies use the estimated goaling base and the table below to calculate and summarize prime contract goals. The table shows the required government-wide prime contracting goals and the agency’s prior achievements. Space is provided for the proposed and final negotiated goals in each category. The SBA will provide a copy of the table below to each agency.

PRIME GOALS BASED ON ESTIMATED TOTAL PROCUREMENT OF \$ _____

Agency		SDB					
Program	SB	8(a)	NON8(a)	Total	WOSB	HZ	SDVOSB
Gov-wide statutory goals	23%	*	5%	5%	5%	3%	3%
Agency average achievement in last 3 years							
Agency’s proposed goal for FY							
Final/accepted/assigned							

goal for FY							
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* It is SBA's policy to recommend that the total SDB Goal be split 50/50 between 8(a) SDBs and non 8(a) SDBs. Therefore, the total SDB goal is the sum of the 8(a) and non8(a) goals.

Agencies must submit proposed goals to the SBA by July 1 each year. The SBA will have 30 days to review and aggregate the submitted goals to ascertain if cumulatively, they meet or exceed the government-wide goal. In the event the SBA cannot accept the proposed goal, it will notify the agency by August 1st. The agency will have 30 days to negotiate with the SBA and arrive at a mutually acceptable final goal.

Are Goals Based on Dollars or Percentages or Both?

Statutory goals are stated in terms of percentage of dollars. The SBA follows the precedent established in the Small Business Act and only states goals in terms of percent of dollars. Previously, goals negotiated with agencies were stated in both dollars and percentage of dollars. However, actual procurement budgets rarely equal the amount previously estimated when goals were established. The SBA's policy was to use the percentage goal to measure actual achievement. Therefore, this revision in the process does not alter the outcome.

What are Subcontracts?

"Subcontract means any agreement (other than one involving an employer-employee relationship) entered into by a Government prime contractor or subcontractor calling for supplies and/or services required for the performance of the contract, contract modification, or subcontract." (FAR Part 19.701) This means a subcontractor does not have a direct contract with the Government. Neither the size of contract or contractor determines if the award is a prime or subcontract. The Small Business Act requires that when an agency awards a prime contract over \$500,000 (\$1 million if construction) to a large business prime contractor, the prime contractor must provide a subcontracting plan that includes small business goals. Prime contracts awarded to small business do not require a subcontracting plan.

How Do Agencies Establish Annual Subcontracting Goals with the SBA?

1: To estimate the subcontracting goaling base, agencies use the prime contract dollars and acquisition forecasts for the next fiscal year to identify contracts that likely will have subcontracting opportunities and require subcontracting plans. These include all contracts over \$500,000 (\$1 million in construction). Each agency is required to identify and justify each class of prime contracts and the projected total value that have subcontract possibilities. All subcontract dollars reportable on the Summary Subcontract Report (SF 295) by the prime contractors and large business subcontractors are included. Agencies report the SF 295 data to the FPDS. There are no exclusions – this total is the subcontracting goaling base.

2: Agencies use the subcontracting base estimated above and the table below to calculate and summarize subcontracting goals. It summarizes the required government-wide subcontracting goals and the agency's prior data. It provides space to record the

agency's proposed goals and final negotiated goals in each category. The SBA will provide a copy of this table to each agency.

SUBCONTRACTING GOALS BASED ON ESTIMATED SUBCONTRACTING BASE OF \$ _____

Agency					
Program	SB	SDB	WOSB	HZ	SDVOSB
Gov-wide statutory goals	*	5%	5%	**	3%
Agency average achievement in last 3 years					
Agency's proposed goal for FY					
Final/accepted/assigned goal for FY					

*There is no statutory subcontracting percentage goal for small business (SB). SBA negotiates a SB goal based on past achievements which have been near 40 percent of the total subcontracting base.

**As a matter of policy, SBA negotiates a 3 percent HUBZone subcontracting goal with each agency.

How Do Agencies Submit Proposed Goals to the SBA?

Agencies must submit goals directly to the SBA using the web-based input screen at <http://www.sba.gov/gc/goaling>. The User ID and password are provided to agencies in a letter each year. Agencies enter an explanation showing how the total estimated procurement and the proposed goal in each category was calculated. The SBA must receive the proposed goals by July 1st to allow time to review and negotiate, if necessary, before the beginning of the fiscal year. If an agency does not submit a proposed goal within the specified time, the SBA will assign either the statutory goals or goals based on the agency's average prior 3 year achievements in each category - whichever are higher - and distribute final goals to all agencies by October 1st.

Each agency must provide detailed, written explanation of the method used to establish goals and provide copies of historical data upon which the estimates and goals are based. The SBA has also provided space in the on-line submission form to submit this information.

Do Agencies Have an Opportunity to Negotiate Goals?

The SBA will review the proposed goals along with the written detailed explanation agencies submit by July 1st each year. The SBA will have 30 days to review and aggregate the submitted goals to ascertain if taken together, they would meet or exceed the government-wide goal. In the event the SBA cannot accept the proposed goal, it will notify the agency by August 1st. The agency will then have 30 days to negotiate with the SBA and arrive at a mutually acceptable final goal. No individual goals will be accepted until the cumulative goals reach the statutory government-wide minimum. All negotiations must be completed by the end of August so that all agencies can be notified of the final goals.

What Happens if the SBA and Agencies Fail to Agree on Establishing Goals?

If the SBA and the agency cannot agree on the proposed goals, the agency may submit the case to OMB's Office of Federal Procurement Policy (OFPP) for resolution. If this process is completed in the month of September, it will be included in the final goals that are distributed to all agencies prior to the beginning of the fiscal year. If the appeal process is prolonged, the SBA will assign either the statutory level or the average achievement for the past 3 years – whichever is higher - so that the goaling process can commence in a timely manner and assure that the statutory government-wide goaling level has been established.

D. DATA COLLECTION

How Does the SBA Collect Data?

The SBA does not collect the goaling achievement data directly from agencies. Public Law 93-400 requires the OFPP to establish a system for collecting, developing and disseminating procurement data which takes into account the needs of Congress, the Executive Branch and the public sector. The Government Services Administration's Federal Procurement Data Center (FPDC) operates the Federal Procurement Data System (FPDS) on behalf of OFPP. The FPDC collects quarterly FPDS data electronically from each Federal agency with procurement authority. FPDS data is the official record of Federal procurement that SBA uses to monitor agencies' goal achievement.

What Must Agencies Report About Their Procurements?

Agencies report prime contract actions on the Individual Contract Action Report (SF 279) and the Summary Contract Action Report (SF 281). Agencies get on-line forms and detailed instructions for reporting in the FPDS's Reporting Manual at www.fpdc.gov/fpdc/rm2002.pdf. The Reporting Manual provides guidance on the actions that should or should not be reported to the FPDS.

Agencies must also report Summary Subcontracting Activity using the Summary Subcontract Report (SF 295) format.

What Type of Contract Actions are Reported to FPDS But Excluded From the Goaling Base?

The following table lists categories of contracts that are reported to FPDS for statistical purposes, but are not part of the goaling program. Each category has an example and explanation showing why it is excluded.

CLASS OF CONTRACT	EXAMPLES; SUCH AS	REASON FOR EXCLUSIONS
JWOD awards.	Goods and services produced by nonprofit agencies employing blind or severely disabled workers such as printing business cards.	JWOD is a mandatory source.

UNICOR awards from procuring agencies.	Goods and services supplied by Federal Prison Industries such as office furniture.	UNICOR is a mandatory source.
American Institute of Taiwan	This is a non-profit entity created by Congress to perform embassy type actions for the U.S. with Taiwan.	This is a directed source (P.L. 96-8). The 'purchasing' agency has no discretion in making the award.
Contracts awarded and performed abroad.	Such as embassies making purchases from foreign firms outside the U.S.	U.S. small businesses have little or no opportunity to compete for these contracts.
Contract performed entirely abroad.	Such as oil for reserves.	U.S. small businesses have little opportunity to perform contracts outside the U.S.
Credit card purchases.	Purchases under \$2,500 such as office supplies.	No socio-economic data are available to attribute the award to any specific goaling category. Contracts for which payments are made by credit card are reported as any other contract.
Acquisitions by agencies on behalf of foreign governments or entities.	Such as some types of foreign aid.	These are non-military Government to Government transactions where the funds from the foreign government "pass-through" the 'purchasing agency' to the supplier at no cost to the U.S. Government.
Contracts for foreign governments or international organizations.	DoD Foreign military sales.	These are Government to Government transactions for military supplies and services where the funds from the foreign government "pass-through" the 'purchasing agency' to the supplier at no cost to the U.S. Government.

What Types of Contract Actions are Not Reported to FPDS?

There are certain types of contract actions that agencies "DO NOT REPORT" to the FPDS. These "DO NOT REPORT" contract actions are not part of the goaling base that the SBA negotiates with each agency. Each agency is required to identify, justify and provide to the SBA for approval any contract action that it does not report to FPDS. This information will assist SBA in ensuring consistency among agencies when establishing the goaling baseline. The following table lists categories of contract actions that are not reported to the FPDS. Each category includes an example and explanation as to why it is not reported.

CLASS OF CONTRACT	EXAMPLES; SUCH AS	REASON FOR NON-REPORT
Contracts funded predominately with agency generated sources (user fees, gifts, sale of production, gas taxes, private	Such as Comptroller of Currency, U.S. Mint, Bureau of Printing and Engraving, Office of Thrift Supervision, Tennessee Valley	They do not use appropriated funds.

sector reimbursements, etc.)*	Authority, federal Highway Administration contracts using trust funds, EPA's remediation contracts for which EPA is reimbursed by the private sector, UNICOR's acquisitions of raw materials, DoD's commissary or DLA acquisitions of inventory.	
Wholesale supply sources	Such as Army Base acquisitions of supplies from DLA; commissary, Army/Airforce Exchange, military inventory control points, and stock programs by VA.	These are intraagency transactions – not contracts.
Contract actions not subject to federal Acquisition Regulations (FAR)	Such as federal Aviation Administration, (Section 348, P.L. 104-50; 109 Stat.436, 460) Transportation Security Administration, Post Office and U.S. Mint.	The Goaling Program only applies to contract actions covered by FAR. Some agencies have exemptions from FAR (and/or the SB Act) for various reasons such as national security. The Mint is not under FAR and does not use appropriated funds.
Transactions that are not contracts	Such as grants, Memoranda of Understanding (MOUs), foreign assistance to foreign entities. For example, FHA has used non-contract vehicles for some directed acquisitions that are not reportable actions.	There are no goals for MOUs, grants or assistance, only prime and subcontracts.
Personal Service Contracts that are issued under 5 U.S.C. 3109. (FAR Part 37)	Such as the State Department.	The contractors are treated as employees by the IRS and Dept. rather than contractors. Employee salaries are not reportable contracts, so these are not reported.

*NOTE: When acquisitions are funded with a combination of appropriated and non appropriated funds such as gifts and user fees, agencies classify the action by the predominate source of funds. If the predominate source of funds are non-appropriated – it is a “do not report” transaction for FPDS purposes. (See Reporting Manual by FPDC for details on how to report.)

Can Agencies Include Transactions Not Covered by the Goaling Program?

As a matter of policy, awards in categories outside the goaling authority (such as grants, contracts funded with user fees, etc.) cannot be included in the goaling base and cannot be counted towards goal achievements. These transactions are not ‘exclusions’ negotiated with the SBA, they are just not part of the goaling program. Agencies must identify and justify transactions outside of the goaling program authority and inform the SBA that it is not reporting these transactions annually when it negotiates goals.

Can Agencies Report Transactions Not Covered by the Goaling Program to FPDS?

The FPDS collects data on various transactions for many purposes other than to support the goaling program. Therefore, agencies can report contract actions not covered by the goaling program if the system has the capability to accommodate the data collection. For example, policy makers and the public want to know the volume of transactions awarded to the federal Prison Industries or under the JWOD program. The collection of data outside the goaling program will be structured between the reporting agency and FPDC so that it does not impact the goaling base.

How Do Agencies Get Credit Towards Small Business (SB) Goals When Using Special Contracting Vehicles Such as GWACs, MACs, and FSS Contracts?

On August 26, 1999, OFPP issued a Memorandum to the agencies (see appendix 2) that establishes policy regarding how agencies get credit toward goal achievements when placing orders under GWACs, MACs and FSS Contracts. The purpose of the policy guideline was to ensure that the ordering agency (also known as the requesting agency) rather than the servicing agency get credit towards their goal achievements. Agencies should refer to Appendix 2 for specific guidance.

Can Agencies Include Credit Card Purchases Toward Prime Goal Achievement?

Agencies are not required to include purchases awarded through use of the credit card towards goal achievement. Currently, there is no approved method to identify the socio-economic characteristics of the vendors accepting the credit card. However, when the credit card is used only as a payment method for a contract action, the contract action may be included towards goal achievement because the socio-economic characteristics of the vendor are in the contract. If an agency can identify the socio-economic characteristics of the vendors when credit cards are used for the transaction or the payment, it may report the individual transaction and take credit as appropriate toward meeting goals.

How Does the SBA Collect Data on Subcontracts?

Each large prime and subcontractor (obtaining contracts large enough to require a subcontracting plan) must report accomplishments against the goals in its plan to the Federal agencies. Agencies are required to report to the FPDC summary subcontracting data that is collected on the SF 295 (Summary Contract Report). Annually, the SBA obtains the SF 295 data from the FPDC to measure the agencies' subcontracting achievements.

Can Agencies Get Credit Toward Their Subcontracting Goals for All Subcontracts Flowing From the Prime Contract?

Agencies get credit for all subcontracts reported on SF 294 and SF 295. All large contractors (whether prime or subcontractor) with contracts over \$500,000 (\$1 million in construction) must have a small business subcontracting plan and must report its progress toward fulfilling that plan. This means agencies get credit for every subcontract reported

by the large business prime or subcontractor, regardless of the tier. However, large business prime and subcontractors can only take credit for their immediate (first tier) subcontracting.

E. TIMELINE

What is the Timeline for Agencies to Report Data and Submit Proposed Goals?

The timeline for submitting data to FPDS and for FPDC to issue reports is shown in the following table. The SBA may issue reminder letters and emails which do not relieve agencies from meeting these deadlines.

CALENDAR OF EVENTS

<i>For Each Fiscal Year Procurement Preference Goaling Program</i>	
DATE*	ACTION
December 15	Due date for all Federal Departments and Agencies to submit final fiscal year prime contract SF-279 & SF-281 data to FPDC.
January 19	FPDC issue preliminary report of all Federal Department and Agencies prime contract goal achievements.
February 2	Deadline for Federal Departments and Agencies to resolve all discrepancies on prime contract data with FPDC.
March 2	Due date for all Federal Departments and Agencies to submit final fiscal year subcontract SF-295 data to FPDC.
March 16	FPDC issue preliminary report of all Federal Department and Agencies' fiscal year subcontract achievements.
Mid-March	FPDC prime contract goaling data in <i>"federal Procurement Report"</i>
April 13	Deadline for Federal Departments and Agencies to resolve all discrepancies on fiscal year subcontract data with FPDC.
Mid-April	FPDC publishes subcontract data in <i>"federal Procurement Report Supplement with Subcontract Data"</i>
May 30	Due Date for Federal Agencies to submit to SBA their justification for failure to meet any proposed goal established.
July 1	Deadline for agencies to submit proposed goals for the next fiscal year.
August 1	Deadline for SBA to notify agencies if its proposed goal is not acceptable.
August 30	Deadline for SBA and Agencies to complete negotiations for goals. SBA will assign goals if negotiations failed to resolve the issue by this date. Agencies may appeal its assigned goal to OFPP.
September 30	Final goals for next fiscal year take effect – including assigned goals

still pending appeal in OFPP.

Note: *In the event a date falls on a non-business day, the deadline will be the next business day.

The reporting agency is responsible for timely, accurate and complete reporting of contract data to the FPDC. Agencies are encouraged to work closely with the FPDC staff to edit and correct their data after the preliminary goaling report is issued. This is a critical step. After FPDC issues the final annual goaling report, the SBA will not consider late submissions when determining an agency's goal achievement. The SBA's final annual goaling report will be based on the "As of Date" of the FPDC final report.

F. MONITORING AND EVALUATING ACHIEVEMENTS

When Must Agencies Report Data on Achievements?

Agencies report prime contract data quarterly according to the schedule published in FPDC's Reporting Manual. Prime Contractors report to agencies on their subcontracting achievements according to the schedule published in FPDC's Reporting Manual. This Manual is available on the FPDC web at www.fpdc.gov/fpdc/rm2002.pdf.

How Does the SBA Track Agencies' Achievements in SB Procurement?

The SBA obtains quarterly reports from the FPDC after agencies have had an opportunity to ensure the data are accurate and complete. The SBA works closely with the Office of Small and Disadvantaged Business Utilization (OSDBU) in each agency to monitor the data and progress toward the goals.

How Does the SBA Evaluate Achievements Toward Prime Goals?

The SBA compares the results reported by agencies to the FPDC to the prime contract goals established government-wide and for individual agencies.

How Does the SBA Evaluate Achievements Toward Subcontract Goals?

The SBA compares the results reported by agencies to the FPDC to the subcontract goals established government-wide and for individual agencies.

Does the SBA Conduct Mid-Year Review of Accomplishments Against Goals?

Subsequent to the release of second quarter achievements by the FPDC for a current fiscal year, the SBA will prepare and send mid-year letters to the major procurement agencies with their achievements to date relative to their goals. This allows the agencies time to make adjustments before the end of the fiscal year if necessary.

How Does the SBA Account for Multi-year Awards?

Section 15(g)(1) of the Small Business Act requires that all the government-wide goals be not less than the statutory percent “of the total value of all prime contract awards for each fiscal year” for each small business category. Contract awards are sometimes made for multiple years with a base year and multi-year options. The total contract value is much larger than the annual amount. These contracts are structured such that agencies are not required to obligate funds beyond the current fiscal year. Agencies should establish goals each fiscal year based on the amount of procurement dollars projected to be available to the agency in that fiscal year, not on anticipated future appropriations. Likewise, the SBA measures achievements based on contract actions reported which capture obligations occurring in that fiscal year. Therefore, the goals and achievements are measured by the same standard.

How Does the SBA Evaluate Achievements and Goals When the Agency’s Procurement Budget Changes?

When an agency is reorganized or has a major project/program added or suspended, the SBA may renegotiate goals. Generally, renegotiation will not be necessary because goals are established only using percent of dollars. This adjusts automatically when total procurement changes.

Can Agencies Obtain Credit for Goals in More Than One Category with One Contract?

Agencies can take credit in every category that is applicable to the recipient of the contract. When counting goaling achievements, a contract awarded to a service-disabled veteran-owned WOSB would be counted toward the SB goal, the SDVOSB goal and the WOSB goal. However, these category counts are not summed to triple the total count. *The Sum of Parts Does Not Equal the Whole.* The *exception* to this non-additive rule is for total SDB which is the sum of 8(a) and non 8(a) SDBs. Each special type of small business is first of all a small business. That means, when 5 percent of Federal procurements have been awarded to SDVOSB, 5 percent will also have been awarded to VOSB.

Can Agencies Combine Achievements to Show the Total Dollars to SB?

Both prime and subcontracting have statutory goals and the results cannot be added to report the overall achievements.

G. REPORTING

Where Are the Data on Goaling Achievements Reported?

The FPDC publishes data on achievements following each quarter and publishes the final fiscal year data annually. The data are available in summary, for each agency and by state. The data are available on-line at <http://www.fpdc.gov/>.

Does the SBA Issue Reports on Goals and Achievements?

Subsequent to the release of final figures by the FPDC for both the prime and subcontracting activity in the prior fiscal year the SBA will prepare and submit an annual report to the President and Congress. That report will be included in the Office of Advocacy's State of Small Business as stipulated in the Small Business Act. The Annual Report will include the goals and achievements in each small business program for both prime and subcontracting goals. It will also provide a discussion of the program areas where goals were not met by major procurement agencies. Agencies are required to submit this information along with corrective action letters to the SBA by May 30th of each year.

The Report to the President must also include tables that show, for each small business category, the number of contracts and dollars awarded on a non-competitive or un-restricted basis (Pub. L. 100-656, § 503). The required elements for each agency are shown in the tables below. No additional reporting is required from agencies as this information is compiled by FPDC for contracts over \$25,000. The FPDC Reporting Manual includes details about the specific fields and values FPDC uses to produce this data.

Type of Prime Contract Used In Awards to <i>Small Business</i> in FY _____				
Agency	Non-competitive negotiations	Competition Restricted to SB	Competition Restricted to SDB	Unrestricted Competition
Number				
Dollars				

Type of Prime Contract Used In Awards to <i>Small Disadvantaged Business</i> in FY _____				
Agency	Non-competitive negotiations	Competition Restricted to SB	Competition Restricted to SDB	Unrestricted Competition
Number				
Dollars				

Type of Prime Contract Used In Awards to <i>Women – Owned Small Business</i> in FY _____				
Agency	Non-competitive negotiations	Competition Restricted to SB	Competition Restricted to SDB	Unrestricted Competition
Number				
Dollars				

Type of Prime Contract Used In Awards to <i>Service-Disabled Veteran-Owned Small Business</i> in FY _____				
Agency	Non-competitive negotiations	Competition Restricted to SB	Competition Restricted to SDB	Unrestricted Competition
Number				
Dollars				

Type of Prime Contract Used In Awards to <i>HUBZone Small Business</i> in FY _____				
Agency	Non-competitive negotiations	Competition Restricted to SB	Competition Restricted to SDB	Unrestricted Competition
Number				
Dollars				

As a matter of policy, the number of 8(a) contract actions and dollars will also be reported. While there is no 8(a) government-wide prime contract goal, policy makers want to know the contracting assistance 8(a) firms are receiving in this program.

H. CONTACTS AND QUESTIONS

Where Does the SBA Post Goaling Guidance?

The SBA posts the Goaling Guidelines and other related information on its web site at www.sba.gov/GC/goals. FPDC posts data on goaling achievements on GSA's web at www.fpdswb1.gsa.gov/fpdswb/goali_pkg.goalishb. Copies of the data may also be accessed through a link on SBA's web site.

Who Should Agencies or the Public Contact if They Have Questions on the National Small Business Goaling Procurement Program?

The SBA's Office of Government Contracting implements the National Goaling Program. Call (202) 205-6460 and ask for the goaling manager or e-mail your questions and comments to www.goaling@sba.gov.

Appendix I

On-Line Form for Submitting Proposed Goals (Sample)

FEDERAL AGENCY GOALING SUBMITTAL

Please select or enter the following identifying information

A. Agency Name:	Select from the list <div style="border: 1px solid black; padding: 2px;"> Select one EXECUTIVE OFFICE OF THE PRESIDENT DEPARTMENT OF AGRICULTURE DEPARTMENT OF COMMERCE </div>
B. Your Full Name (Last First):	<input style="width: 250px;" type="text"/>
C. Your Phone Number:	<input style="width: 150px;" type="text"/>
D. Your Email Address:	<input style="width: 200px;" type="text"/>
E. Senior Procurement Official:	<input style="width: 250px;" type="text"/>
F. Fiscal Year:	Select from the list <div style="border: 1px solid black; padding: 2px;"> Select one FY2004 FY2005 FY2004 & 2005 combined </div>

PLEASE READ THE [GOALING GUIDELINES](#) FIRST!

PRIME CONTRACT GOALS	
1. Total Est. Dollars for Agency Contracting in FY: Does #1 include ALL agency contracting \$? If No explain what was excluded, (e.g., Foreign Military Sales) why and est. amount in Field 36 below (Refer to Goaling Guidelines)	<input style="width: 100%;" type="text"/>
2. Average SB achievement in last 3 years:	<input style="width: 100%;" type="text"/>
3. Total estimated SB Dollars in next FY:	<input style="width: 100%;" type="text"/>
4. SB Percentage (this is your proposed SB goal): (automatically computed)	<input style="width: 60%;" type="text"/>
5. Average 8(a) Awards (\$) in last 3 years:	<input style="width: 100%;" type="text"/>
6. Total estimated 8(a) Dollars in next FY:	<input style="width: 100%;" type="text"/>
7. 8(a) Percentage: (automatically computed – this is your proposed 8(a) goal)	<input style="width: 60%;" type="text"/>
8. Average SDB Awards (\$) in last 3 years:	<input style="width: 100%;" type="text"/>

9. Total estimated SDB Dollars for next FY:	<input type="text"/>
10. SDB Percentage: (automatically computed – this is your proposed SDB goal)	<input type="text"/>
11. Average Women-Owned Small Business (WOSB) Awards (\$) in last 3 years:	<input type="text"/>
12. Total estimated WOSB Dollars in next FY:	<input type="text"/>
13. WOSB Percentage: (automatically computed – this is your proposed WOSB goal)	<input type="text"/>
14. Average HUBZONE (HZ) Awards (\$) in last 3 years	<input type="text"/>
15. Total estimated HZ Dollars in next FY	<input type="text"/>
16. HZ Percentage: (automatically computed – this is your proposed HZ goal)	<input type="text"/>
17. Average Service Disabled Veteran Owned Small Business (SDVOSB) Awards in last 2 years	<input type="text"/>
18. Total estimated SDVOSB Dollars in next FY	<input type="text"/>
19. SDVOSB Percentage: (automatically computed – this is your proposed SDVOSB goal)	<input type="text"/>
SUB CONTRACT GOALS	
20. Total Estimated Subcontracting Dollars reportable on SF 294/5:	<input type="text"/>
21. Average SB Subcontracts Dollars in last 3 years:	<input type="text"/>
22. Total estimated SB SUBK Dollars in next FY:	<input type="text"/>
23. SB SUBK Percentage: (automatically computed – this is your proposed SB SUBK goal)	<input type="text"/>
24. Average SDB Subcontracts (\$) in last 3 years:	<input type="text"/>
25. Total estimated SDB SUBK Dollars in next FY:	<input type="text"/>
26. SDB SUBK Percentage: (automatically computed – this is your proposed goal)	<input type="text"/>
27. Average WOSB Subcontracts (\$) in last 3 years:	<input type="text"/>
28. Total estimated WOSB SUBK Dollars in next FY:	<input type="text"/>
29. WOSB SUBK Percentage: (automatically computed – this is your proposed SUBK WOSB goal)	<input type="text"/>
30. Average HUBZONE (HZ) Subcontracts (\$) in last 3 years:	<input type="text"/>
31. Total estimated HZ SUBK Dollars next FY:	<input type="text"/>
32. HZ SUBK Percentage: (automatically computed – this is your proposed HZ goal)	<input type="text"/>

33. Average Service Disabled Veteran Owned Small Business (SDVOSB) Subcontracts (\$) in last 2 years:	<input type="text"/>
34. Total estimated SDVOSB SUBK Dollars in next FY:	<input type="text"/>
35. SDVOSB SUBK Percentage: (automatically computed – this is your proposed SDVOSB goal)	<input type="text"/>

Please explain in field 36 below if proposed goals are below the statutory levels or below the agency's 3-year average achievement. If the agency excludes any contracting dollars from its total (in #1 above), explain what was excluded (e.g., U.S.Mint), why (e.g., does not use appropriated funds for contracting) and estimated amount. Additional information may be provided if needed.

36. Explanation of exclusions to goaling base dollars or low proposed goal:

Please click on "Validate" to validate your entries, or press "Cancel" to clear the form.

Validate	Cancel
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We can be reached by e-mail at: goaling@sba.gov

WEBMASTER

* Last Modified on: Wednesday, July 9th, 2003

APPENDIX 2

OFPP's Letter of MEMORANDUM FOR AGENCY SENIOR PROCUREMENT EXECUTIVES

Dated August 26, 1999

Sent By: EOP;

202 3955105;

May-8-01 16:39;

Page 1



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

August 26, 1999

MEMORANDUM FOR AGENCY SENIOR PROCUREMENT EXECUTIVES
AND THE DEPUTY UNDER SECRETARY OF DEFENSE
(ACQUISITION REFORM)

FROM:

Deidre A. Lee
Administrator

SUBJECT:

Guidance on Reporting Contract Actions Awarded under Federal
Supply Schedule Contracts, Government-Wide Acquisition Contracts,
Multi-Agency Contracts and Inter-Service Support Agreements

In May of this year we asked you to review and comment on draft guidance on the reporting of contract dollars awarded under Federal Supply Schedule (FSS) contracts, Government-wide Acquisition Contracts (GWACs), Multi-Agency Contracts and Inter-Service Support Agreements (ISSAs) to the Federal Procurement Data System (FPDS). These procurement methods and vehicles are increasingly used to meet agency program needs, particularly for information technology requirements. Given SBA's use of FPDS data to measure agencies' socio-economic accomplishments, FPDS reporting guidance must be clear and agency reporting must be accurate. We appreciate your time and efforts to assist us in achieving these objectives.

In general, you agreed both in concept and practice with the changes as proposed. Based on your suggestions for further clarification (i.e., definition of terms, addressing crediting of socio-economic accomplishments in ISSAs, etc.) we revised the guidance as shown in the attachment. This guidance is now final and will be effective upon release of changes in the FPDS reporting manual currently expected not later than September 30, 1999.

Attachment

cc: FPDS Policy Advisory Board Members
FPDC Agency Contacts

**Crediting Small Business Accomplishments
Under FSS, GWACs, Multi-Agency Contracts and ISSAs**

As used in this guidance –

Governmentwide Acquisition Contracts for Information Technology (GWACS) are contracts established in accordance with section 5112(c) of the Clinger-Cohen Act (Public Law 104-106) for the procurement of information technology.

Multi-Agency Contracts are contracts established in accordance with section 5124 (a)(2) of the Clinger-Cohen Act (Public Law 104-106) for information technology.

Inter-Service Support Agreements (ISSAs) are arrangements between agencies to provide commercial activities on a reimbursable basis through contracts other than GWACs or Multi-Agency contracts.

New FPDS Requirements:

1. Federal Supply Schedule (FSS) Contracts

Agencies make purchases against FSS contracts either by placing orders directly with FSS vendors or through a servicing agency which may place orders directly with FSS vendors on behalf of a requesting agency. When an agency places the order directly, it reports the order and is credited with the socioeconomic data reported. When a servicing agency awards the task or delivery order on behalf of a requesting agency, the servicing agency reports the order to the FPDS and enters the requesting agency's FIPS 95 Code in the FPDS/ICAR Optional Data Element. In either case, the requesting agency will receive credit for all socioeconomic data, including small business accomplishments. The reporting process is as follows:

- ❑ GSA/VA will continue to report socio-economic data about schedule vendors to FPDS when the awards are made.
- ❑ GSA's Federal Procurement Data Center (FPDC) will make the socio-economic data available on the Internet.
- ❑ Requesting agencies may report the socio-economic data to the FPDS when they report their orders, but the FPDC will edit the data against the GSA/VA socioeconomic data. The FPDC will notify the agencies of any discrepancy.
- ❑ Upon request, the FPDC will provide to the requesting agencies reports of all accomplishments, including small business.

□ Governmentwide Acquisition Contracts (GWACs)/Multi-Agency Contracts

When an agency uses a GWAC or multi-agency contract to obtain goods and services, either the servicing agency awards the order or the servicing agency delegates procurement authority to the requesting agency that makes the award. In either case, the requesting agency will receive credit for all socioeconomic data, including small business accomplishments. The reporting process is as follows:

A. *When the GWAC/multi-agency contract servicing agency awards the task or delivery order on behalf of the requesting agency, the servicing agency:*

- Reports the orders to FPDS on a monthly basis.
- Reports the requesting agency's FIPS 95 Code in the FPDS/ICAR Optional Data Element.

Upon request, the FPDC will:

- Make available to requesting agencies the FPDS data associated with the orders.
- Provide to the requesting agencies reports of all accomplishments, including small business.

B. *When the GWAC/multi-agency contract servicing agency delegates authority to the requesting agency, the requesting agency:*

- Reports the orders to FPDS.

In no instance shall the contract action be reported to FPDS more than once.

□ Inter-Service Support Agreements (ISSAs)

Some agencies establish their own contracts for administrative support services and then provide such services to requesting agencies in a reimbursable basis. In this instance, the servicing agency should receive credit for the socioeconomic data if the servicing agency negotiates and awards the contract. The servicing agency reports the contract action to the FPDS.

Some agencies also establish contracts for single agency requirements on behalf of requesting agencies. In this instance, the requesting agency should receive credit for the socioeconomic data. The servicing agency reports the contract to the FPDS and reports the requesting agency's FIPS 95 Code in the FPDS Optional Data element.

The Inter-Service Support Agreements should address whether the requesting agency or the servicing agency will receive credit for all accomplishments, including small business.

SBA Reports on Small Business Accomplishments:

SBA relies on FPDS data to measure goal accomplishments. For goaling purposes only, the Data Center will provide to the SBA the socio-economic data that has been reported to the system in accordance with the above instructions. The SBA will use this information in its reports on accomplishments, including small business.

TOTAL P.04